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CSEA - CSU Division - BU 9
Calculation of the fee challenger.

February 27, 2005

To:
Robert Thompson, General Counsel
PUBLIC EMPLOYMENT RELATIONS BOARD
Sacramento Regional Office
1031 18th Street
SACRAMENTO, CA 95814-4174
FAX: (916)327-6377

Dear Mr. Thompson,

Considering the fact that it is not a court role to make accounting rules and regulations I suggest that PERB as an interpretation of the Supreme Court to be more specific and mention that the Financial Accounting Standards Board and American Institute of Certified Public Accountants Rules, Regulations and Standards are to be observed.

Oversight of management, the integrity of the accounting and financial reporting system and the appropriate controls to be in place, including for monitoring risk, financial control and compliance with the law is the responsibility of those charged with governance.

The Union in their NOTICE states: "The amounts attributed to these categories of expenditures are taken from the independent audit of CSEA's 2xxx financial records contained in the Financial Statement prepared by"

The obligation of attributing the amounts to those categories is the obligation of the Union and the Auditor verifies only if those figures are correct.

Since the Union does not ask the Auditor to verify the fee payers restricted refundable account balance, required for all nonprofit organizations based on the above mentioned regulations and standards, he does not look there and the surplus from fees is recorded by the Union as its asset, making it an incorrect charge.

Sincerely,

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